



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

August 5, 2005

### **H.R. 2829**

#### **A bill to reauthorize the Office of National Drug Control Policy Act**

*As ordered reported by the House Committee on Government Reform  
on June 16, 2005*

#### **SUMMARY**

H.R. 2829 would reauthorize operations of the Office of National Drug Control Policy (ONDCP) and programs administered by that office through 2010. Major programs administered by that office include the High-Intensity Drug Trafficking Areas program, the National Youth Anti-Drug Media Campaign, and the Counterdrug Technology Assessment Center. In addition, the legislation would direct ONDCP to oversee drug policies of professional sports leagues. Under the bill, those leagues would be required to ban the use of certain drugs and set mandatory minimum drug-testing requirements for professional athletes. The bill would increase penalties for leagues and athletes that do not comply with those requirements.

Assuming the appropriation of the necessary amounts, CBO estimates that implementing H.R. 2829 would cost about \$3.1 billion over the 2006-2010 period. Of this total, about \$2.2 billion would result from amounts specifically authorized for the National Youth Anti-Drug Media Campaign and High-Intensity Drug Trafficking Areas. In addition, by authorizing the Federal Trade Commission (FTC) to enforce the law regarding the use of performance-enhancing drugs in professional sports leagues, enacting H.R. 2829 could increase direct spending and revenues, but CBO estimates that any such effects would be negligible.

H.R. 2829 contains two intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA), but CBO cannot determine if the costs would exceed the threshold established in that act (\$62 million in 2005, adjusted annually for inflation).

H.R. 2829 would impose several private-sector mandates as defined in UMRA on major professional sports leagues. CBO estimates that the total direct cost of those mandates would fall well below the annual threshold established by UMRA for private-sector mandates (\$123 million in 2005, adjusted annually for inflation).

## **ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of H.R. 2829 is shown in the following table. The costs of this legislation fall within budget functions 370 (commerce and housing credit), 750 (administration of justice), and 800 (general government).

## **BASIS OF ESTIMATE**

For this estimate, CBO assumes that the bill will be enacted near the end of fiscal year 2005, that the necessary amounts will be provided each year, and that spending will follow historical patterns for the ONDCP and its programs.

### **Spending Subject to Appropriation**

The bill would reauthorize all the programs of ONDCP through 2010. The current authorization for ONDCP expired at the end of fiscal year 2003 (although the office continued to receive funding in 2004 and 2005). Based on information from ONDCP and historical spending patterns of the agency, CBO estimates that these authorizations, if funded, would result in outlays of about \$400 million in 2006 and about \$3.1 billion over the 2006-2010 fiscal year.

**High-Intensity Drug Trafficking Areas.** Section 109 would authorize the appropriation of \$280 million in fiscal year 2006, \$290 million a year for 2007 and 2008, and \$300 million a year for 2009 and 2010 for the High-Intensity Drug Trafficking Areas program. This program coordinates drug-control efforts among local, state, and federal law enforcement agencies. Assuming appropriation of the specified amounts, CBO estimates that implementing this provision would cost \$70 million in fiscal year 2006 and \$1.2 billion over the 2006-2010 period.

**National Youth Anti-Drug Media Campaign.** Section 112 would authorize the appropriation of \$195 million in each of fiscal years 2006 and 2007, and \$210 million a year for the 2008-2010 period for the National Youth Anti-Drug Media Campaign (NYADMC) program. NYAMDC delivers anti-drug messages through mass communications to help prevent and reduce youth drug use. Assuming appropriations of the specified amounts, CBO estimates that implementing this provision would cost \$176 million in 2006 and about \$1 billion over the 2006-2010 period.

	By Fiscal Year, in Millions of Dollars					
	2005	2006	2007	2008	2009	2010
<b>SPENDING SUBJECT TO APPROPRIATION</b>						
Spending Under Current Law for ONDCP						
Budget Authority <sup>a</sup>	508	0	0	0	0	0
Estimated Outlays	504	201	34	11	0	0
Proposed Changes:						
High-Intensity Drug Trafficking Areas						
Authorization Level	0	280	290	290	300	300
Estimated Outlays	0	70	241	275	292	299
National Youth Anti-Drug Media Campaign						
Authorization Level	0	195	195	210	210	210
Estimated Outlays	0	176	195	209	210	210
Other Federal Drug Control Programs						
Estimated Authorization Level	0	95	96	98	101	103
Estimated Outlays	0	79	92	96	98	100
Counterdrug Technology Assessment Center						
Estimated Authorization Level	0	43	43	44	45	46
Estimated Outlays	0	40	43	44	45	46
Office of National Drug Control Policy						
Estimated Authorization Level	0	28	29	30	30	31
Estimated Outlays	0	24	28	30	30	31
Drug Standards for Professional Sports						
Estimated Authorization Level	0	8	8	8	8	8
Estimated Outlays	0	7	8	8	8	8
Other Provisions						
Estimated Authorization Level	0	7	7	7	7	7
Estimated Outlays	0	6	7	7	7	7
Total Proposed Changes						
Estimated Authorization Level	0	656	668	687	701	705
Estimated Outlays	0	402	614	668	690	701
Total Spending Under H.R. 2829 for ONDCP						
Estimated Authorization Level <sup>a</sup>	508	656	668	687	701	705
Estimated Outlays	504	603	648	679	690	701

NOTES: Components may not sum to totals because of rounding.

a. The 2005 level is the amount appropriated for that year for programs administered by the Office of National Drug Control Policy.

**Other Federal Drug Control Programs.** H.R. 2829 would authorize the appropriation of such sums as necessary to operate other federal drug-control programs (excluding NYADMC) through fiscal year 2010. Those include the Drug-Free Communities program, National Drug Court Institute, and the U.S. Anti-Doping Agency. Based on the level of funding for 2005, information from ONDCP, and adjusting for anticipated inflation, CBO estimates that implementing the programs would cost about \$80 million in 2006 and \$465 million over the 2006-2010 period.

**Counterdrug Technology Assessment Center.** The legislation would authorize the appropriation of such sums as necessary to operate the Counterdrug Assessment Center. The center coordinates counterdrug research and development activities for the federal government. Because the bill did not specify funding levels, CBO estimated the costs by adjusting 2005 funding for anticipated inflation. On that basis, we estimate that operation of the center would cost \$40 million in 2006 and \$218 million over the 2006-2010 period.

**Office of National Drug Control Policy.** H.R. 2829 would authorize the appropriation of such sums as necessary for ONDCP. The office establishes policies, priorities, and objectives for federal drug-control programs. Assuming appropriation of the necessary amounts, CBO estimates that these activities would cost \$24 million in 2006 and \$143 million over the 2006-2010 period. This estimate is based on historical spending patterns and assumes that the appropriation for 2005 is adjusted for anticipated inflation.

**Drug Standards for Professional Sports.** Title II would require Major League Baseball (MLB), the National Football League (NFL), the National Basketball Association (NBA), and the National Hockey League (NHL) to adopt the performance-enhancing drug standards established by the U.S. Anti-Doping Agency. Those standards include a list of drugs that athletes are prohibited to use (i.e., steroids, amphetamines, and illegal hormones) and minimum drug-testing requirements. The legislation also would create mandatory penalties for individuals who fail such tests. ONDCP would oversee the professional sports drug standards and have the authority to require other professional or collegiate sports leagues to comply with the new drug standards. Finally, the legislation would require the agency, working through a commission, to report on the use of performance-enhancing drugs in college and high school sports.

Based on information from ONDCP, CBO expects that three new attorneys and requisite support staff would be required to oversee the drug policies of MLB, the NFL, the NBA, and the NHL. This would include promulgating standards for leagues to follow and preparing annual reports to the Congress. In addition, the agency would be required to study the use of performance-enhancing drugs in high school and collegiate sports. The commission would report to the Congress annually with recommendations for reducing drug use. ONDCP expects that this provision would require the agency to conduct an annual survey

on steroid use among high school and college athletes. Based on information from ONDCP, CBO estimates that this study and additional personnel would cost \$7 million in 2006 and about \$40 million over the 2006-2010 period.

**Other Provisions.** Section 106 would require ONDCP to produce a biannual plan to increase the coordination among federal agencies working to combat illegal drug use. Based on information from ONDCP, CBO estimates that completing such plans would cost \$3 million a year.

Section 113 would amend the responsibilities and authorities of the United States Interdiction Coordinator. Based within the ONDCP, the U.S. Interdiction Coordinator would be responsible for coordinating efforts to prevent drugs from entering the United States. Based on information from ONDCP and the Department of Homeland Security, CBO estimates that increased staffing levels and new reporting requirements necessary under the bill would cost \$2 million annually.

The legislation includes other provisions that would establish new reporting requirements and procedures for preparing budget requests for ONDCP. CBO estimates that those provisions would cost \$2 million annually.

## **Revenues and Direct Spending**

H.R. 2829 would give the FTC the authority to pursue enforcement over the use of performance-enhancing drugs in professional sports leagues. However, CBO expects that the sports leagues would comply with the new minimum drug standards. Therefore, CBO expects that any increase in civil penalties resulting from enactment of H.R. 2829 would be insignificant. (Such penalties are recorded in the budget as revenues.)

## **ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS**

H.R. 2829 contains two intergovernmental mandates as defined in UMRA: a preemption of state privacy laws and new authority for the Director of ONDCP to regulate public institutions of higher education. Section 724 (9) would require professional sporting leagues to publicly disclose the identity of any player who tests positive for a banned substance. That requirement would preempt numerous state privacy protections but would likely impose no costs on state, local, or tribal governments.

The bill also would give the ONDCP director the authority to extend testing standards to colleges and athletes in Divisions I and II of the National Collegiate Athletic Association

(NCAA)—more than half of such colleges are public. Such a requirement could be costly to those institutions. It is unclear if the ONDCP director would choose to extend testing requirements to colleges and college athletes or what testing requirements would be included if the program was extended to such athletes. If the director chose to extend testing requirements, institutions participating in Divisions I and II of the NCAA could be required to test athletes multiple times per year for substances for which they do not currently test, imposing significant costs on such institutions. For example, information from ONDCP indicates that drug tests that conform to United States Anti-Doping standards could cost up to \$600 per test; the current NCAA random testing program costs over \$300 per test, including administrative costs. Until future regulations and testing regimes are clearly defined, CBO is unable to estimate the total costs that would result from enacting this provision.

Title I would establish new requirements for existing programs administered by the Office of National Drug Control Policy. Any costs incurred by state, local, and tribal as a result of those provisions would result from participating in a voluntary federal program.

## **ESTIMATED IMPACT ON THE PRIVATE SECTOR**

H.R. 2829 would impose several private-sector mandates, as defined in UMRA, on major professional sports leagues. CBO estimates that the total direct cost of those mandates would fall well below the annual threshold established by UMRA for private-sector mandates (\$123 million in 2005, adjusted annually for inflation).

The bill would require Major League Baseball, the National Football League, the National Basketball Association, and the National Hockey League to implement drug-testing programs for performance-enhancing drugs consistent with the standard established by the U.S. Anti-Doping Agency (USADA). The leagues would be required to test, without advance notice, their players at least three times during the regular season and at least twice during the off-season. Currently, the sports leagues conduct their own testing, so the cost of the mandate would be the increase in cost attributable to the additional drug testing. Based on information from the USADA, the cost of drug testing of athletes could be up to \$600 per test. The cost of the testing would include locating the athletes in the off-season, shipping charges, and the comprehensive analysis of samples at a laboratory approved by the USADA. According to representatives of the major sports leagues, approximately 4,000 athletes would need to be tested. Therefore, CBO estimates that the direct cost would not be as large relative to the threshold.

H.R. 2829 also would require the leagues to certify to the Director of the Office of National Drug Control Policy that it has consulted with the USADA in the development of their test-

distribution planning, method of testing, and adjudication process. Under the bill, the leagues also would be required to publicly disclose the identity of any athlete who has tested positive, the penalty imposed, and the tested substance. In addition, the leagues would be required to provide certain reports to the Congress. Currently, the leagues have their own procedures for test distribution, testing, and adjudication as well as providing some public disclosure of test results and penalties. Thus, CBO expects that the cost to comply with those mandates would be small.

In addition, H.R. 2829 could impose a new mandate if the United States Boxing Commission is established. The bill would require the Commission to implement drug-testing programs for professional boxing consistent with the standard established by the USADA. According to the Association of Boxing Commissions, almost all states currently require drug testing of boxers prior to professional fights. This bill would expand the number of drug tests and could include as many as 7,000 boxers to be tested. However, the bill does not specify who would be responsible for the cost of the drug testing.

## **PREVIOUS CBO ESTIMATES**

On July 7, 2005, CBO transmitted a cost estimate for H.R. 2565, a bill to reauthorize the Office of National Drug Control Policy Act and to establish minimum drug-testing standards for major professional sports leagues, as ordered reported by the House Committee on Government Reform on May 26, 2005. On July 18, 2005, CBO transmitted a cost estimate for H.R. 3084, the Drug Free Sports Act, as ordered reported by the House Committee on Energy and Commerce on June 29, 2005.

H.R. 2829 and H.R. 2565 are similar; both bills would reauthorize ONDCP and programs administered through that office through 2010. CBO estimates that H.R. 2829 would authorize the appropriation of more funds over the 2006-2010 period, including activities that are not authorized by H.R. 2565.

In addition, all three bills would establish requirements for professional sports related to performance-enhancing substances, although H.R. 3084 would implement that effort through the Department of Commerce rather than ONDCP.

All three bills would preempt state privacy protections, but H.R. 2829 and H.R. 2565 contain a potentially costly provision that would give the director of ONDCP the authority to extend testing standards to colleges in Divisions I and II of the National Collegiate Athletic Association—more than half of which are public. The mandates statements reflect the differences.

The three pieces of legislation would require testing for performance-enhancing substances of professional athletes. H.R. 2829 and H.R. 2565 could require the professional boxing industry to test their boxers if the U.S. Boxing Commission is established. That requirement is not in H.R. 3084. H.R. 3084 would require more sports leagues, adding Major League Soccer and Arena Football, to test their athletes than H.R. 2829 and H.R. 2565.

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